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Home Center News

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Channel to sell its Southern units

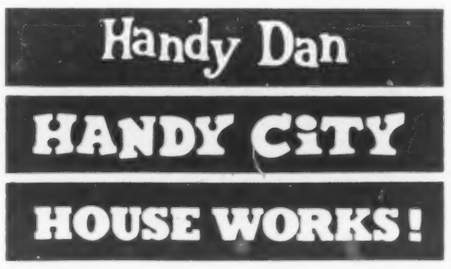
Handy Dan, Handy City, Houseworks packaged in real estate deal

By Tom Bagsarian

DALLAS — Channel Home Centers is on the verge of completing a deal to sell all of its Southeast and Southwest stores to a real estate company here whose plans to remarket the units and land could lead to the end of the Handy Dan operation as it now exists.

Knowledgeable real estate sources told *NHCN* in early June that Sun West Realty in Dallas will purchase Channel's 37 Handy Dan and HouseWorks! stores that remain open, and more than 50 Handy Dan and Handy City units Channel officials have closed since taking the company private in 1986.

Sun West, according to real estate sources, was already negotiating to sell the leasing rights for disposal of Channel's 13 Handy Dan units in Dallas and 19 in Houston to broker Henry S. Miller Co. in Dallas, and with another broker in Austin, Texas, for disposal of the three Austin units and eight in San Antonio.



Sun West reportedly has also discussed selling the leasing rights for disposing of closed Handy City units in Georgia with The Shopping Center Group in Atlanta.

A spokeswoman at Sun West confirmed the realtor had been negotiating to buy at least some of the Handy Dan stores from Channel, but she declined to offer specifics.

Neither officials at Channel's headquarters in Whippany, N.J., nor Paul Burkhart, executive vp of leasing at Sun West, would comment. Shearson Lehman Hutton, the New York investment firm that Channel retained early this year to seek a buyer for all or a part of the 147-unit chain, also would not comment.

The deal, which was to be closed June 1, was extended and had not been completed through the second week of June.

However, a source at the *Dallas Morning News* told *NHCN* that Channel's vp-advertising Irving Koffler informed that newspaper that the chain's last ads with it would be in July, which implies that now-opened Handy Dan units could cease operation then.

The terms of the agreement could not be discerned at press time. It also could not be determined whether Channel has sold the division outright, or whether Sun West and Channel have struck a contingency agreement, in which Channel's remuneration would depend on Sun West's ability to remarket the stores and/or real estate.

(Continued on page 56)

Denny bids adieu to Builders Square

By Tim O'Malley

SAN ANTONIO, Texas — Frank Denny, the last of Builders Square's three founders, has resigned as chairman and ceo of the 138-store chain.

A spokesperson for K mart, which owns Builders Square, said the 54-year-old Denny resigned May 26, six years to the day after he launched Home Centers of America, the forerunner of Builders Square, in this city. His contract with Builders Square reportedly was to expire in September. Leaving with Denny was Larry Haven, vp-merchandising and store planning, who has been with the company since its inception.

With Denny's departure, Glen Mielke becomes chief executive officer. Mielke, a 31-year veteran of K mart, in January was appointed president and chief operating officer of Builders Square (*see stories, page 15*). Contacted in his office here, Mielke said Denny and Haven gave him a week's notice about their plans. "They left to pursue their own interests," he said. "That's all we want to say about it."

These developments follow the resignations in late April of Builders Square cofounders Jud Walford and Frank Powers, and reportedly leaves just three contract-status employees from the chain's pre-K mart management period.

(Continued on page 55)

Frank Denny's departure as chairman and ceo of Builders Square marks the end of that chain's founding era. NHCN photo

Davis ends 28-year career with Rickel

Chuck Davis resigned as president June 5, ending a career with Rickel that he began as a stock boy. NHCN photo

By an NHCN staff editor

SOUTH PLAINFIELD, N.J. — In what is becoming all too common in the home center industry, the chief executive officer of another major chain has resigned.

Chuck Davis, who has been Rickel Home Centers' president and ceo for three years and an employee of the chain since his teens, stepped down June 5, possibly on as short as a day's notice.

A spokesman for Rickel's parent company, Supermarkets General Corporation, said Davis "resigned to pursue other interests."

The spokesman, Robert Wunderle, said a committee has been formed to search for a replacement, and that in the interim the 51-store chain, which has 5,800 employees, will be run by existing executives at Rickel and Supermarkets General.

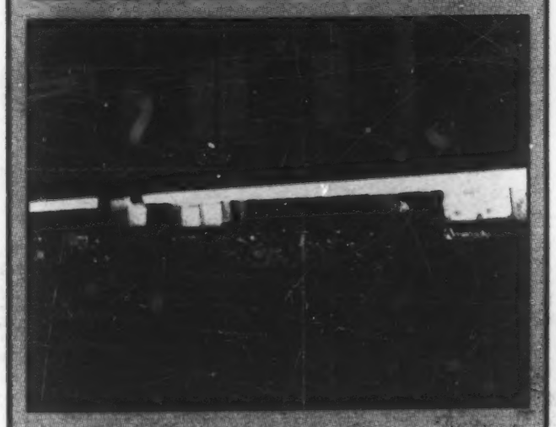
"This is not going to mean any changes in the advertising, merchandising or expansion of the company," Wunderle said.

(Continued on page 54)

PERSPECTIVES

Builders Square deploys new merchandising strategy 15

BUYING & SELLING



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Home Depot declares stock split

ATLANTA — The Home Depot's board of directors last month authorized a three-for-two stock split of its outstanding $.05 par value common stock, and declared a half-share value per share dividend payable July 17 to shareholders of record as of June 14.

The board also declared a quarterly cash dividend of $.03 per split common share, payable July 31 to shareholders of record July 17. After adjustment for the stock split, this represents a 50 percent increase over the previous quarter's cash dividend.

A Home Depot spokesman said the split has been done before by the company and is aimed at keeping the value of individual stocks down.

"If not for a split," said the spokesman, "a Home Depot stock that sold in 1981 for $12 would today be worth $450."

Lumber trucks overloaded: study

NATIONAL REPORT — Forest products accounted for 19 percent of the overweight containers traveling U.S. highways, according to an 11-month study by the Federal Highway Administration. Forest products as an export item accounted for 26 percent of the overweight and loading problems at U.S. ports.

According to the Highway Administration's 104,863-load survey, logs and lumber accounted for 1,790 of 23,215 overloaded or overweight containers for export, the fourth ranking cause of problems behind paper, plastic resins and chemicals. Fiberboard was ninth of 10 problem commodities on the list.

The leading "problem" import, according to *American Shipper* magazine, was beer.

The study checked every container movement through U.S. ports on the 15th of the month from October 1987 to September 1988.

Roseburg Lumber strike ends

ROSEBURG, Ore. — The four-month strike by 4,300 unionized employees at Roseburg Lumber is over. The settlement means an immediate return of an estimated 40 percent of Western sanded panels production.

Linda Fox, secretary of the privately held company, said union employees ratified a contract last month giving back a 60-cent per hour wage reduction. The contract calls for an 11-cent hourly increase in 1992.

The Roseburg strike began Jan. 11 over union demands for a four-year wage freeze in response to management's calls for wage cuts, Fox said.

O'Malleys closes another unit

PHOENIX — The O'Malley Cos. has closed its Sierra Vista, Ariz., retail unit, leaving it with five Building Material Centers in Arizona and one in El Paso, Texas.

Separately, O'Malley's corporate headquarters on Seventh Street will be relocated in mid-June to offices in the retail division on East Indian School Road in Phoenix. About 15 employees work in the corporate headquarters which oversees wholesale, manufacturing and insurance divisions.

O'Malleys has closed seven stores in the last two years. Its remaining outlets are in Sun City, Buckeye, Mesa, Apache Junction, Phoenix and El Paso.

Henry Bacon names new execs

BELLEVUE, Wash. — Henry Bacon Building Materials has made several management changes including naming a new general manager of the six-unit privately held building materials dealer based here.

Ken Plass has joined the company as vp and general manager. He most recently was executive vp and gm of Keller Supply Co., Seattle. Richard Carson, former executive vp and gm, was named president, reporting to chairman Jack Curran. Ron Dolan, formerly store operations manager, was named to a newly created vp-marketing and advertising post.

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Will Vachon leaves Pergament citing personality differences

By an NHCN staff editor

MELVILLE, N.Y. — Will Vachon resigned from Pergament Home Centers here on June 6, only 12 months after joining the company as an executive vp.

"I think that it was in both of our mutual interests. The personality of the company was not best suited to my own," said Vachon in a telephone interview from his home on Long Island. "The fit was just not right."

Michael Lurie, Pergament's executive vp, said the parting was amicable.

The 57-year-old Vachon leaves Pergament after a year as senior vp and general manager. He is succeeded by Bruce Falk, formerly divisional merchandise manager and advertising coordinator.

"The Pergament company is strong and getting stronger and [is] a force to be reckoned with in the market," said Vachon. "It's one of the few that is holding its own and is not going to lie down and play dead."

Vachon described Pergament as "entrepreneurial by nature," compared with Rickel, which is "part of a multi-billion dollar corporation." Vachon spent 31 years at Rickel but resigned as executive vp in June 1987 after being excluded from the management team that took the chain and its parent, Supermarkets General, private.

Coincidentally, on the day Vachon left Pergament, Rickel ceo Chuck Davis also resigned.

Vachon said he had not discussed with Rickel the possibility of replacing Davis.

"The industry is undergoing a radical change right now and those who recognize it and deal with it will succeed," said Vachon. "The change is faster than anyone anticipated."

Beck becomes president of Standard Brands Paint Co.

By an NHCN staff editor

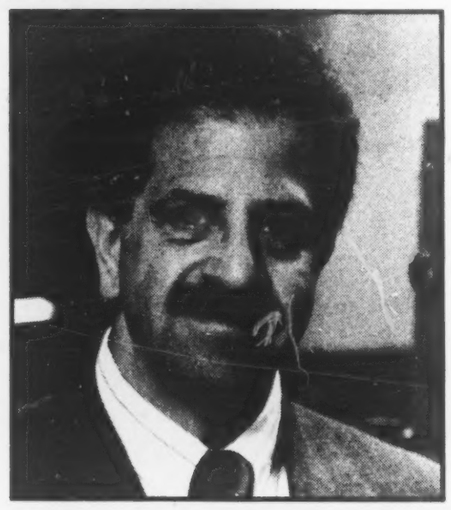
TORRANCE, Calif. — Eric Beck has been named president and coo of Standard Brands Paint Co., succeeding Marvin Wager, who was named to the newly created position of vice chairman.

Beck, who joined Standard Brands Paint Co. as a part-time sales clerk at its Woodland Hills, Calif., store nearly 23 years ago, for the past four years has been executive vp reporting to Wager.

Noting that Wager will turn 65 next year, the 44-year-old Beck explained that his promotion is "all part of an orderly transition of management. . . . It is part of Marvin's way of planning his future, getting all the ducks in order, so to speak."

Beck said Standard Brands, which has 144 Home Decorating Centers in eight Western states, completed a restructuring a year and a half ago and the top-management changes will not signal any "major or drastic changes. The mission has been established. Our plans are in place. We'll continue what we have been doing."

Standard Brands reported earnings of $1.57 million on sales of $75.9 million in the first quarter ended April 30. In the comparable year-earlier period, Standard Brands earned $2.2 million on sales of $73.7 million.



Eric Beck, president of Standard Brands Paint Co.

Photo courtesy Standard Brands

(Continued on page 58)

Wickes Cos. calls off sale of its Builders Emporium division

By an NHCN staff editor

IRVINE, Calif. — Wickes Cos. has removed the "For Sale" sign from its Builders Emporium division headquartered here.

Two months after BE's president Jack Edwards resigned for what a company spokesman said were "personal reasons," parent Wickes Cos. has "decided to keep [BE] and run it," the spokesman added.

Meanwhile, "a search is being conducted for a permanent president for the company," the spokesman said. Executive vp Ted Kazleman, who's currently the chain's acting president, "and others are being considered for the job," the spokesman added.

BE was placed on the selling block by Wickes Cos. new owner, WCI Holdings Corp., earlier this year. WCI Holdings is jointly owned by two New York investment companies.

"Although we received a number of offers for Builders Emporium, we feel that the business has more value to the company as an operating asset given its position in the Southern California home improvement market and its potential for growth," the spokesman said.

WCI Holdings, meanwhile, on May 30 completed its previously announced sales of 31-unit Orchard Supply Hardware and 23-unit Wickes Furniture divisions.

As previously reported, OSH was sold to an investor group including its management headed by Maynard Jenkins, president and ceo, along with the Los Angeles investment firm Freeman Spogli & Co.

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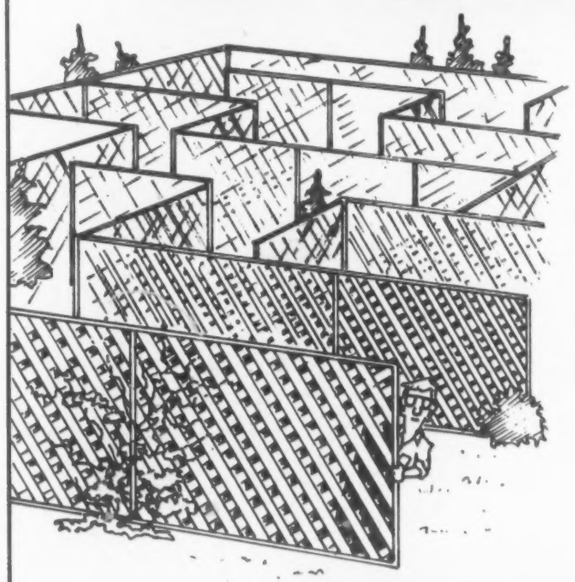

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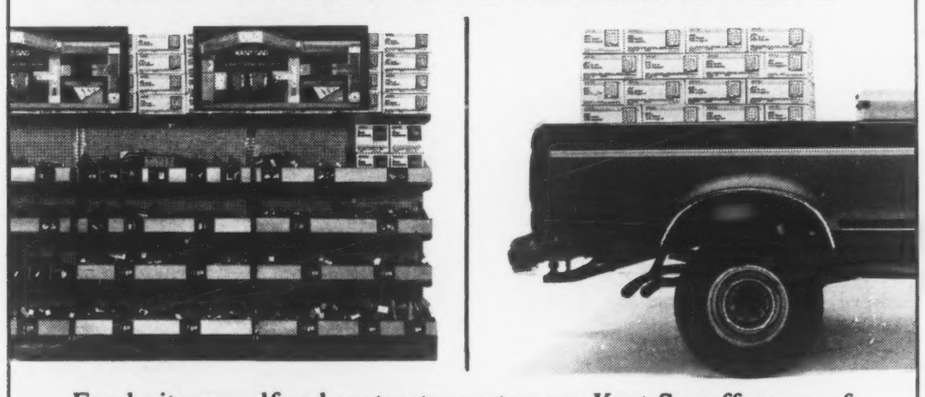

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Maze purchases Tremont Nail

By an NHCN staff editor

PERU, Ill. — The purchase of Tremont Nail, Wareham, Mass., last month by Maze Nails, a division of W.H. Maze Co., Peru, Ill., has combined the nation's two oldest nail manufacturers.

Maze president Peter Loveland said Tremont Nail will continue to manufacture and ship out of its Massachusetts plant and will operate as a separate profit center under the continuing directon of Donald Shaw, general manager.

Tremont was founded in 1819 and maintains the largest selection of cut nails in the world, according to Loveland. Maze Nails, founded in 1848, is the world's largest producer of hot-dipped, zinc-coated nails.

Lees, Celotex president, dies

By an NHCN staff editor

TAMPA, Fla. — William G. Lees, the president of Celotex Corp. here, died of an apparent heart attack while vacationing in North Carolina on May 27. He was 64.

A native of Apollo, Pa., Lees had been with the building materials supplier for 40 years and was named its president last October.

During his tenure with the company, Lees served as president of the Gypsum Association from May 1979 to April 1980, and was on the executive committee of the Asphalt Roofing Manufacturers Association from 1982 through 1984.

"With Bill's passing we have lost not only a generous and knowledgeable member of the building industry, but also a very good friend," said Kenneth Hyatt, president and ceo of the Jim Walter Corporation, the parent company of Celotex, in a prepared statement.

Lees is survived by his wife, Pam, and their daughters Susan Lees of Indio, Calif.; Maribeth Lees Nordman of Tampa, Fla.; and Nancy Lees Guminski of Tampa. Also surviving are Lees' mother Edith; his brothers Mark and Robert, who resided in Apollo, Pa.; and his sister, Marian Patterson of Youngstown, Ohio.

William G. Lees

Judge nixes Makita's claim of tool trademark infringement

By an NHCN staff editor

WASHINGTON — An administrative law judge ruled that Makita USA and Makita Corporation of America have no common law trademark to some 55 products, vacating Makita's claim that, as an American company, it was being injured by look-alike imports.

The long-awaited International Trade Commission decision, revealed to *NHCN* by a source who was witness to the judge's decision as it was handed down June 2, effectively states there was no violation of Section 337 of the Tariff Act of 1937, part of the U.S. Unfair Trade Practices Act. The decision, according to the source, was based on Makita's failure to establish "common law trademark in color, shape or combination of the two" on 55 of its corded and cordless tools sold in the U.S.

(Continued on page 58)

Corrections

Articles appearing in the May 22 issue and on p. 14 of the June 5 issue misstate that Grip-Rite International was being purchased by Sequoia Supply. Grip-Rite is merging with Sequoia.

A misplaced decimal point caused the chart on page 9 of the May 29 issue describing the square footage growth of the industry's top 25 retailers to be incorrect. In 1987, the aggregate number for these chains should have been 99.8 million square feet; in 1988 that grew to 101.3 million square feet.

In testimony before the U.S. Senate April 7, a joint U.S.-Canadian group—The Alliance for Enforcement of the Canadian Lumber Export Tax—charged that some Canadian *and* U.S. lumber wholesalers were evading Canadian taxes by misstating the province of origin of shipments to U.S. customers. An article in the May 8 edition said that only Canadian wholesalers were alleged to have evaded the taxes.

An April 24 new products article on "Billie Bord" polyurethane lumber misstated the item's price. It runs from $6.05 per foot for a 1½-inch by 4-foot length and $9.05 per foot for a 6-foot length.

Due to an editing error, a June 5 story misstated that the National Retail Hardware Association has members in only 19 states. Some of NRHA's affiliate groups cover more than one state.

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EDITORIAL

Denny's exit ends entrepreneurial era

Frank Denny leaves Builders Square and Handy Dan leaves the industry, all in the same week. The coincidence of events punctuates the end of an era of rapid expansion and entrepreneurial leadership. History is rarely this neat.

The slower growth tempo was also the theme of the recent Home Center Industry Conference, where a variety of speakers agreed that the 1990s will be a period when household formation and population increases will level as disposable income declines.

Ken Schept
NHCN Editor

In other words, in the 1990s we will not see companies open 56 stores in one year as Builders Square did in 1986. Then where is the industry headed? Denny's career parallels the growth of the home centers. His resume and the prospects for Builders Square may provide some insight.

Denny's roots in this business go back to the days in the 1960s when people still asked "what's a home center," and prescient discounters, nervous about the future of their own industry, were coming up with answers such as Handyman and Handy Dan.

At that time, Denny worked at a home center operation called Angels, which was purchased by Daylin, a conglomerate. He was among a group of Angels executives sent by Daylin to San Antonio to develop Handy Dan, then a one-store operation.

After leaving Handy Dan to help convert an El Paso company called Cashways from a lumberyard into a home center, Denny returned to Handy Dan in 1972. He succeeded Bernie Marcus as president in 1979 after Daylin was purchased by W.R. Grace.

He was soon named head of Grace's home center division, which was comprised of chains located throughout the country including Handy Dan, Handy City, Channel, Angels and Orchard Supply Hardware.

As he tried to harmonize these disparate Grace acquisitions, Denny adopted the frenetic style that later characterized the five years during which he drove Builders Squares' growth from the idea stage to a 139-store $1.7 billion chain.

His departure suggests that the industry may be beyond the time when logging frequent flyer mileage and opening stores is the basis of a winning strategy. The air war is over. Disposing of bad sites seems as important now as finding good ones. These days the glory may go, not to the merchants, but to the numbers crunchers who can trim companies and the technicians who can squeeze more sales from the assets that remain.

Is that enough? Builders Square will now be run by a team of executives whose career experience has been mostly with K mart at the regional level. Their mission is to make each Builders Square store produce more sales. If they succeed it won't be because they have a special vision about where the industry could be headed. Rather, their success will be based on their ability to transfer their skills as professional managers.

Given the large number of stores the chain operates and the slower growth predicted for the next decade, that conservative approach may be exactly what's needed at Builders Square. Indeed, in the slow-growth 90s, executives who manage for productivity gains may serve much of the industry well.

Does this conclusion mean that the industry is where discounting was 20 years ago? As Handy Dans become video stores and optical outlets you have to wonder.

—Ken Schept

COMMENTARY

Where have all the store people gone?

Nobody's smarter than all of us. That was the homespun wisdom of a curmudgeonly colonel I served under in the Marine Corps, and he was right. While one person must be in charge, everyone has something to contribute by way of ideas, and everyone must be able to think on his or her feet during emergencies.

Yet this simple philosophy, when applied to retailing, is being stood on its head by the growing importance of technology. We see more and more reports on electronic data interchange, sophisticated POS systems and the like. Yet the growing complexity of this equipment is making retailers more dependent on machines—and the few people who maintain them—to the detriment of the overall operation.

Tom Neven
NHCN Senior Desk Editor

Of course, technology is a boon to modern retailers when kept in perspective. It saves time and money. But its potential for causing problems that don't immediately show up on the bottom line is sometimes overlooked. The temptation is to see all this wonderful equipment as a substitute for trained, motivated employees, not merely as a tool to help them.

Technology is a two-edged sword. It can be "dumbed down" to accommodate lower skilled workers. The day is not far off when counter help at fast food restaurants need not be able to read or do simple arithmetic. They need merely recognize the pictograph of a hamburger or french fries on the cash register keyboard and the computer will do the rest, right down to giving change. But if any situation out of the ordinary arises, the workers will be lost.

Granted, a home center is not a fast food restaurant, but employees who are trained merely to push keys cannot be expected to improvise when the situation warrants, nor will they be the type of people management can rely on to make the extra effort.

This situation is compounded by the degree to which dealers rely on the computer as an operational crutch. A programming error, even with one tiny mistake, or a systems failure can disrupt an entire operation—particularly as dealers rely more heavily on price lookup at the cash register—if people aren't trained to rectify such glitches. You can have technical people checking the programs, but who is checking the checker?

An over-reliance on technology, combined with the deterioration of basic education among younger workers, is relegating employees with low skills who are not properly trained in all aspects of a store's operations to a "job ghetto" that requires little thought and no initiative. And a company with fewer people given the chance to think is a company wasting money on a segment of its operations.

There are positive signs that dealers recognize this as a problem in need of attention. Builders Square has struck a good balance, using much of what technology offers while still soliciting the opinions of its area managers and other employees.

Like many things, the new retail technology is here to stay. The secret is to use it wisely, not letting it so rule the workplace that creativity and initiative are stifled. Otherwise, nobody will be smart at all.

—Tom Neven

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Publisher WYATT KASH
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Executive Editor John Caulfield
Senior Editors Brad Altman (Los Angeles), Gary S. Ruderman (Chicago)
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Los Angeles 606 N. Larchmont Blvd., Los Angeles, CA 90004, 213-464-8321
Senior Editor Brad Altman
San Francisco 400 Montgomery St., San Francisco, CA 94104, 415-362-2575
Regional Manager Richard J. Harrigan Jr.
Washington 17735 Striley Drive, Ashton, MD 20861, 301-774-3895
Manager, Correspondent Kenneth Rankin
Japan Diamond-Friedman Ltd., Chain Store Age News, Japan, 1-4-2 Kasumigaseki, Chiyoda-ku, Tokyo, Japan, 504-6750

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"It doesn't GO from 0 to 60"

Business Watch

stocks

Louisiana-Pacific directors approve an increase in dividends

By an NHCN staff editor

CONROE, Texas — The Louisiana-Pacific board of directors approved an increase in the company's dividend to $1 from 92 cents.

At the annual shareholder meeting here last month, the Portland, Ore.-based forest products manufacturer and distributor said the 25-cent quarterly dividend per share would be paid June 1 to stockholders of record as of May 18.

The announcement follows the release of L-P's record quarterly sales and earnings statemer

First quarter sales amounted to $466.8 million, up 13 percent from 1988 first quarter sales of $414 million. Earnings grew 41 percent to $39.9 million.

The company stated that 1988 figures have been restated for the June 1988 spinoff of Fibreboard Corp., a wholly owned L-P subsidiary.

Pricing gets strong

Harry A. Merlo, L-P's chairman, said its building products sector was helped by firmer price levels due to curtailments at Western mills of other producers due to strikes, timber shortages and adverse weather.

Redwood and other lumber, structural panels, panel veneers, logs, chips doors and windows accounted for $63.6 million in sales in the first quarter, up from $53.3 million in the same quarter in 1988.

Total building products accounted for $393.8 million in sales, up from $362.7 million in the first quarter of 1988. Pulp sales increased to $73.2 million, up from $51.3 million in the prior year. Export sales grew to $112.1 million from $81.7 million in 1988.

Mild gains and losses for stocks

The two-week period ended June 2 was relatively quiet for publicly traded home improvement stocks, with only marginal gains or losses for most of the 49 companies tracked for *NHCN* by Media General.

Among the retail winners was Interco, the St. Louis-based company, that only a few weeks earlier had successfully sold off its Central Hardware chain to Handy Andy Home Improvement Centers and subsequently negotiated the sale of its Ethan Allen furniture chain. Another big gainer was Grossman's, whose stock was fueled by an unfounded Wall Street rumor that K mart was interested in buying the Braintree, Mass., chain.

On the down side, National Lumber's stock dropped 21 percent as the 20-unit chain reported a $1.35 million first quarter loss.

Manufacturers' stocks were equally calm, for the most part. Catalina Lighting, the Miami-based supplier, saw its stock price drop 9.6 percent following the completion of its public offering of 1 million common shares and despite its reporting a 176 percent increase in quarterly net income to $666,000 and 120 percent sales gain to $13.15 million.

Mor-Flo Industries saw its stock drop 14.8 percent to $6.50 per share. And the biggest gainer among the vendors was Republic Gypsum's stock, up 7.7 percent.

National Home Center News

HOME CENTER MARKET SUMMARY

Company and Market	Stock Market: Price: 2-Weeks Ended 6-02-89	2-Weeks Change Amt.	2-Weeks Change Pct.	2-Week Range High	2-Week Range Low	52-Week Range High	52-Week Range Low	Volume: 2-Weeks Shares Traded Total	2-Weeks Shares Traded % Out	12-Week Avg. Vol. As % Out	Volume Trend Change	Financial Update: P/E Ratio	Indicated Divd. Rate Amt.	Indicated Divd. Rate Yld.	Latest Report: New Report	Latest Report: Period	Latest Report: Date Ended	Latest Quarter: Revenue Amt.	Latest Quarter: Revenue Chg.	Latest Quarter: Net Income Amt.	Latest Quarter: Net Income Chg.	Latest Quarter: E.P.S. Amt.	Latest Quarter: E.P.S. Chg.	Year-to-Date: Revenue Amt.	Year-to-Date: Revenue Chg.	Year-to-Date: Net Income Amt.	Year-to-Date: Net Income Chg.	Year-to-Date: E.P.S. Amt.	Year-to-Date: E.P.S. Chg.
-	$	$	%	$	$	$	$	(100)	%	%	%	-	$	%	-	-	-	$Mil	%	$Mil	%	$	%	$Mil	%	$Mil	%	$	%
Retailers																													
Gen Bldg Prods ..... M	2.75	.00	.0	3.50	2.75	6.00	2.75	49	.12	.27	- 55.6	NE	.00	.0	.....	3 mos.	02-89	20.9	40.3	- 1.0	NE	- .25	NE	20.9	40.3	- 1.0	NE	- .25	NE
Grossman's Inc ..... M	9.00	1.13	14.3	9.13	8.00	9.00	4.88	66,420	25.43	5.24	385.3	15.8	.00	.0	.....	3 mos.	03-89	219.6	7.6	- 7.4	NE	- .28	NE	219.6	7.6	- 7.4	NE	- .28	NE
Hechinger A ..... M	18.00	.13	.7	18.38	17.38	20.25	15.88	13,602	6.64	3.61	83.9	NA	.16	.9	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Hechinger B ..... M	17.75	- .13	- .7	18.50	17.75	20.00	15.75	594	.39	.17	129.4	14.0	.06	.3	NEW	3 mos.	04-89	274.9	15.1	7.3	- 17.0	.21	- 12.5	274.9	15.1	7.3	- 17.0	.21	- 12.5
Home Depot ..... N	43.88	2.38	5.7	44.00	40.00	44.00	22.88	15,108	3.03	1.55	95.5	27.1	.12	.3	.....	3 mos.	04-89	641.5	43.6	25.9	34.9	.50	31.6	641.5	43.6	25.9	34.9	.50	31.6
Interco ..... N	2.50	.38	17.6	2.50	1.88	3.88	1.88	35,946	9.93	3.75	164.8	NA	.00	.0	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
K mart Cp ..... N	37.88	- .75	- 1.9	39.50	37.63	40.38	31.25	64,285	3.23	1.71	88.9	9.8	1.64	4.3	.....	3 mos.	04-89	6068.2	3.9	94.1	- 22.1	.47	- 21.7	6068.2	3.9	94.1	- 22.1	.47	- 21.7
Lowe's Cos ..... N	25.25	.00	.0	27.25	24.00	27.25	18.75	7,942	2.14	.89	140.4	13.8	.48	1.9	NEW	3 mos.	04-89	602.1	1.9	14.6	- 3.3	.39	.0	602.1	1.9	14.6	- 3.3	.39	.0
NHD Stores ..... M	8.13	.25	3.2	8.13	7.75	8.25	4.50	164	1.26	1.05	20.0	10.3	.00	.0	.....	fiscal	01-89	14.1	11.0	.4	.0	.36	12.5	51.4	12.2	1.0	25.0	.79	25.4
Natl Lumber ..... M	1.88	- .50	- 21.1	2.25	1.88	3.50	1.75	416	.74	.37	100.0	NE	.00	.0	NEW	3 mos.	04-89	34.3	- 10.0	- 1.4	- 100.0	- .24	- 100.0	34.3	- 10.0	- 1.4	- 100.0	- .24	- 100.0
Scotty's Inc ..... N	15.38	.38	2.5	15.50	15.00	15.50	10.50	1,555	1.06	1.69	- 37.3	53.0	.52	3.4	.....	9 mos.	03-89	149.1	8.6	3.4	- 2.9	.23	.0	418.1	6.0	1.4	- 83.1	.09	- 83.9
Sears, Roebuck ..... N	47.38	- .13	- .3	48.13	46.88	48.13	34.75	64,917	1.76	1.27	38.6	18.0	2.00	4.2	.....	3 mos.	03-89	12160.5	- 1.1	257.7	43.6	.70	48.9	12160.5	- 1.1	257.7	43.6	.70	48.9
Std Brd Pnt ..... N	15.38	.50	3.4	15.88	14.88	18.50	11.75	2,549	4.46	2.71	64.6	NE	.00	.0	.....	9 mos.	10-88	80.5	2.2	1.3	- 69.8	.17	- 67.3	236.1	- .2	3.9	- 69.5	.50	- 67.7
Strober Organiz ..... M	6.00	- .50	- 7.7	6.50	5.88	12.25	5.25	281	.46	.61	- 24.6	10.3	.00	.0	.....	3 mos.	03-89	29.5	5.0	.0	- 100.0	.00	- 100.0	29.5	5.0	.0	- 100.0	.00	- 100.0
Wolohan Lumber ..... M	18.25	.00	.0	19.00	17.75	27.00	14.25	803	1.37	1.95	- 29.7	9.5	.28	1.5	.....	3 mos.	03-89	49.0	15.8	.9	12.5	.15	7.1	49.0	15.8	.9	12.5	.15	7.1
Zayre Corp ..... N	29.50	.00	.0	29.75	28.38	30.13	18.63	34,784	6.14	3.07	100.0	NE	.40	1.4	NEW	3 mos.	04-89	466.4	- 2.9	24.3	NE	.43	NE	466.4	- 2.9	24.3	NE	.43	NE
Wholesalers																													
Hughes Supply ..... N	18.63	.38	2.1	18.63	17.88	19.00	16.50	972	2.00	.54	270.4	9.5	.36	1.9	NEW	3 mos.	04-89	126.2	8.3	2.0	- 4.8	.41	- 4.7	126.2	8.3	2.0	- 4.8	.41	- 4.7
Moore-Handley ..... M	4.25	.00	.0	4.25	4.06	4.75	3.75	60	.26	.37	- 29.7	NE	.20	4.7	.....	3 mos.	03-89	23.4	- 9.3	- .2	NE	- .07	NE	23.4	- 9.3	- .2	NE	- .07	NE
Manufacturers																													
Am Consum Prods ..... M	8.75	- .50	- 5.4	9.50	8.75	12.50	8.75	78	.30	.17	76.5	12.3	.00	.0	.....	3 mos.	03-89	20.5	17.1	.5	25.0	.18	5.9	20.5	17.1	.5	25.0	.18	5.9
Am Woodmark ..... M	12.00	.13	1.1	12.00	11.75	12.25	8.00	180	.24	.14	71.4	13.5	.00a	.0	NEW	9 mos.	01-89	38.9	30.1	1.3	85.7	.17	325.0	118.3	23.2	5.8	31.8	.77	32.8
Armstrng Wrld ..... N	39.75	2.38	6.4	40.50	37.63	41.25	31.75	24,783	5.36	1.80	197.8	11.4	1.06	2.7	NEW	3 mos.	03-89	710.1	12.8	37.4	- 4.1	.81	- 3.6	710.1	12.8	37.4	- 4.1	.81	- 3.6
Black & Decker ..... N	20.25	- .63	- 3.0	20.88	19.63	25.25	18.13	23,054	3.93	3.67	7.1	10.9	.40	2.0	.....	6 mos.	03-89	570.7	6.1	25.8	21.7	.44	22.2	1276.2	11.0	64.2	22.8	1.09	22.5
Boise Cascade ..... N	43.50	- 1.75	- 3.9	45.88	43.13	47.50	39.25	11,958	2.66	1.58	68.4	6.6	1.40	3.2	.....	3 mos.	03-89	1099.1	8.1	52.2	- 23.8	1.74	18.4	1099.1	8.1	52.2	- 23.8	1.74	18.4
Catalina Lghtg ..... A	13.00	- 1.38	- 9.6	14.38	12.75	15.25	3.88	1,682	4.43	2.32	90.9	24.1	.00	.0	.....	6 mos.	03-89	13.1	122.0	.7	250.0	.18	80.0	22.1	104.6	1.1	175.0	.30	76.5
Champ Intl ..... N	33.88	- 1.00	- 2.9	35.13	33.25	38.00	29.50	28,383	2.98	1.69	76.3	6.9	1.10	3.2	.....	3 mos.	03-89	1288.7	1.8	113.5	11.3	1.19	11.2	1288.7	1.8	113.5	11.3	1.19	11.2
Clairson Intl ..... M	5.75	.13	2.2	5.75	4.88	7.38	2.75	1,382	2.72	2.55	6.7	NE	.00	.0	.....	9 mos.	06-88	27.2	46.2	- 2.1	- 100.0	- .43	- 100.0	78.4	45.7	- 4.3	- 100.0	- .85	- 100.0
Cooper Indus ..... N	33.75	2.00	6.3	34.00	31.38	34.00	25.06	27,524	2.73	.99	175.8	14.9	1.00	3.0	.....	3 mos.	03-89	1039.2	12.3	38.0	18.0	.37	15.6	1039.2	12.3	38.0	18.0	.37	15.6
DeSoto Inc ..... N	41.00	- .50	- 1.2	42.75	40.88	52.50	29.13	1,810	4.51	4.38	3.0	58.6	1.40	3.4	.....	3 mos.	03-89	99.0	.5	1.4	- 22.2	.35	- 20.5	99.0	.5	1.4	- 22.2	.35	- 20.5
Emhart Corp ..... N	39.50	- .13	- .3	39.63	39.38	42.75	18.88	988	.16	3.24	- 95.1	19.6	.88	2.2	.....	fiscal	12-88	723.2	8.8	33.5	26.9	.52	23.8	2762.5	12.5	126.6	18.9	2.02	18.8
Georgia Pacific ..... N	47.13	- .25	- .5	47.50	46.50	47.50	33.25	18,832	1.99	1.32	50.8	8.7	1.40	3.0	.....	3 mos.	03-89	2447.0	15.7	154.0	45.3	1.65	61.8	2447.0	15.7	154.0	45.3	1.65	61.8
La Pacific ..... N	33.88	- .38	- 1.1	35.00	33.13	37.50	26.00	11,743	3.04	1.39	118.7	8.8	1.00	3.0	.....	3 mos.	03-89	467.0	- 3.3	39.9	- 14.2	1.06	- 12.4	467.0	- 3.3	39.9	- 14.2	1.06	- 12.4
Macmillan Bloedel ..... M	15.25	.00	.0	15.25	14.88	17.38	13.88	1,139	.11	.17	- 35.3	NA	.80	NA	.....	3 mos.	03-89	807.0	1.3	73.4	- 19.9	.68	- 20.0	807.0	1.3	73.4	- 19.9	.68	- 20.0
Masco Corp ..... N	28.88	.25	.9	29.13	27.88	30.38	23.63	28,542	2.08	1.13	84.1	14.4	.48	1.7	.....	3 mos.	03-89	659.0	18.5	68.2	- 14.3	.50	- 16.7	659.0	18.5	68.2	- 14.3	.50	- 16.7
Mor-Flo Inds ..... M	6.50	- 1.13	- 14.8	7.25	6.50	7.75	4.50	100	.40	.47	- 14.9	NE	.01	.2	.....	3 mos.	03-89	56.1	1.3	- .9	NE	- .36	NE	56.1	1.3	- .9	NE	- .36	NE
Newell Co ..... N	40.50	2.13	5.5	40.88	38.25	40.88	19.06	4,699	1.61	1.09	47.7	17.5	.76b	1.9	.....	3 mos.	03-89	271.9	15.1	14.0	41.4	.46	43.8	271.9	15.1	14.0	41.4	.46	43.8
Nortek Inc ..... N	8.88	.00	.0	9.00	8.63	10.38	6.38	1,359	.92	.65	41.5	21.1	.10	1.1	.....	3 mos.	03-89	319.3	- 5.3	- 4.9	- 100.0	- .34	- 100.0	319.3	- 5.3	- 4.9	- 100.0	- .34	- 100.0
Owens Corn ..... N	31.88	.75	2.4	32.25	31.25	32.25	18.75	9,254	2.31	1.16	99.1	6.5	.00	.0	.....	3 mos.	03-89	665.0	5.2	34.0	21.4	.82	24.2	665.0	5.2	34.0	21.4	.82	24.2
Ply-Gem ..... A	14.38	.38	2.7	14.63	13.63	15.63	11.38	889	.82	1.09	- 24.8	11.0	.12	.8	.....	3 mos.	03-89	98.3	10.0	2.2	- 35.3	.20	- 33.3	98.3	10.0	2.2	- 35.3	.20	- 33.3
Pope & Talbot ..... N	23.75	.88	3.8	24.00	22.75	24.00	16.13	2,659	2.26	.96	135.4	8.5	.60	2.5	.....	3 mos.	03-89	147.5	27.5	5.7	- 28.8	.80	19.4	147.5	27.5	5.7	- 28.8	.80	19.4
Potlatch Cp ..... N	37.50	2.50	7.1	38.00	34.50	38.00	28.63	4,248	1.58	.84	88.1	8.5	1.04	2.8	.....	3 mos.	03-89	297.4	15.2	35.9	35.5	1.30	36.8	297.4	15.2	35.9	35.5	1.30	36.8
PPG Inds ..... N	45.50	.00	.0	45.88	44.75	46.88	36.25	17,023	1.47	.61	141.0	10.5	1.52	3.3	.....	3 mos.	03-89	145.9	- 89.4	129.8	9.4	1.15	7.5	145.9	- 89.4	129.8	9.4	1.15	7.5
Rep Gypsum ..... N	5.25	.38	7.7	5.38	4.75	6.38	4.25	322	.32	.26	23.1	21.9	.20	3.8	.....	9 mos.	03-89	11.9	.0	.4	300.0	.04	300.0	37.5	- 4.6	1.7	30.8	.17	30.8
Sherwin-Wms ..... N	29.75	1.25	4.4	30.00	27.88	31.63	24.88	9,268	2.15	1.20	79.2	12.9	.70	2.4	.....	3 mos.	03-89	464.8	12.4	8.8	4.8	.20	5.3	464.8	12.4	8.8	4.8	.20	5.3
Stanley Works ..... N	34.38	- .13	- .4	34.75	33.63	35.50	24.00	4,715	1.10	1.27	- 13.4	13.9	.96	2.8	.....	3 mos.	03-89	480.6	3.1	24.6	15.5	.57	16.3	480.6	3.1	24.6	15.5	.57	16.3
Thos Inds ..... N	19.38	.75	4.0	19.75	18.63	23.31	18.25	1,265	1.24	.57	117.5	11.5	.72b	3.7	.....	3 mos.	03-89	87.5	6.6	5.3	6.0	.52	13.0	87.5	6.6	5.3	6.0	.52	13.0
Union Camp ..... N	37.00	- .50	- 1.3	38.63	37.00	38.63	31.00	17,582	2.56	1.15	122.6	8.3	1.48	4.0	.....	3 mos.	03-89	706.2	9.4	79.7	17.7	1.16	22.1	706.2	9.4	79.7	17.7	1.16	22.1
USG ..... N	5.50	.38	7.3	5.50	5.00	7.75	4.75	9,768	1.81	1.08	67.6	3.3	.00	.0	.....	3 mos.	03-89	538.0	- 3.7	2.6	- 93.5	.05	- 93.5	538.0	- 3.7	2.6	- 93.5	.05	- 93.5
Waxman Ind ..... M	8.38	- .13	- 1.5	8.50	8.25	12.25	7.00	2,651	2.87	1.92	49.5	10.9	.10	1.2	.....	9 mos.	03-89	46.9	26.7	1.8	- 5.3	.20	.0	146.9	31.7	5.1	8.5	.56	12.0
Weyerhaeuser ..... N	29.63	- .50	- 1.7	30.50	28.88	30.88	23.25	32,817	1.61	1.21	33.1	9.8	1.20	4.1	.....	3 mos.	03-89	2321.3	25.1	148.1	29.7	.70	94.4	2321.3	25.1	148.1	29.7	.70	94.4

All Data are based on sources believed to be reliable, but its accuracy is not guaranteed. Every effort will be made to correct errors, when discovered, in future issues.

Reporting period
3 mos.—First quarter of fiscal year
6 mos.—First six months of fiscal year
9 mos.—First nine months of fiscal year
Fiscal—Fiscal year
NEW—New report since last issue

Last 52 Weeks

General Field Footnotes
NA—Not available or not applicable
NC—Data required for calculation currently incomplete in our files
NE—Negative earnings invalidate calculations
NM—No meaningful figure
a—Under dividend amount, indicates a stock dividend
b—Indicates cash plus stock dividend when applied to dividend amount column

P/E Ratio—Price/earnings ratio
E.P.S.—Earnings per share
Market
N—New York Stock Exchange
A—American Stock Exchange
O—NASDAQ Over-the-Counter
M—NASDAQ National Market

*Two-week average volume equals the number of shares traded divided by the number of shares outstanding during the latest two-week period. Twelve-week average volume equals the number of shares traded divided by the number of shares outstanding over the previous 12 weeks.

All earnings data and all related calculations using earnings data use primary earnings from total operations and after taxes. Earnings are before extraordinary items, when such items are applicable.

Data and Table Provided by Media General Financial Services Inc., Richmond, Va. 23219

Lack of help, cooling economy concern Calif. dealers

(Continued from page 3)
employees disperse to other companies and usually lose contact with each other. But two former employees of the defunct Handyman chain are trying to change that.

Former Handyman employees, suppliers, reps and wholesalers are invited to attend a reunion in Chicago Aug. 12 before the opening of the National Hardware Show.

The event's organizers are Ed McBride (503-239-5680) and Rolfe Wittmann (619-698-3398). San Diego-based Handyman Corp. was dissolved at the end of 1986, and McBride and Wittmann believe that "a reunion for former Handyman people and friends is long overdue."

* * *

Handyman was shut down reportedly because its parent company, Edison Brothers, concluded that the land and buildings could be put to more lucrative use. The chain's breakup was just another example of how real estate concerns affect all kinds of businesses. And in fact, one of the few constants in the state over the past 15 years has been escalating land costs, which have contributed to skyrocketing housing prices.

The median price of a house topped $200,000 in April, the California Association of Realtors reported.

* * *

Worse for home improvement retailers was the news that sales of existing single-family houses in California, the nation's largest DIY marketplace, dropped 14.1 percent in April, a sign that home sales are starting to slow down for the first time in two years.

Over the past several months, sober reports have been issued from various sources predicting an overall slowdown in the California economy, of which housing remains a major component.

Yet despite these prognostications, some retailers remain enthusiastic about their stores' prospects here.

For instance, Brad Tukey, a founding executive with HomeClub who is now president of HQ Office Supplies Warehouse, says the Long Beach-based retailer is on the fast track. On June 1 it opened its fifth store in San Bernardino and has leased a location for its first out-of-state site in Las Vegas, Nev. Expansion is ahead of schedule with 14 to 16 stores planned to open before year-end.

California Hardware, the hardlines wholesaler based in Torrance, was buoyed by a 15 percent increase in attendance and 20 percent increase in sales at its two-day '89 Merchandise Mart held recently in Pomona, Calif. This year's event featured a 4,000-square-foot "Store of Tomorrow" prototype that has been developed by Sentry Hardware.

* * *

One chain for which California has been a boon is The Home Depot, which opened its first units here in 1985 and currently has 26 stores in the Golden State.

Bryant Scott, regional manager of seven Home Depot stores in the San Diego area, was promoted recently to vp-store operations, responsible for all California stores. He will be based in Los Angeles.

Scott succeeds Lynn Martineau, who is moving to Atlanta, the chain's headquarters city, with expanded duties including overseeing data processing systems and consumer affairs for the 99-unit chain. Martineau retains his job title, vp-store operations, and will be responsible for stores in Texas, Alabama, Louisiana, Tennessee, South Carolina, Georgia and Arizona.

Home Center Industry Conference paints a less rosy picture for retailers in the '90s

(Continued from page 3)
ed that before the recent rash of retailing LBOs, almost two-thirds of a company's cash flow went into capital expenditures. Now, that is roughly the amount that goes toward debt.

In elaborating about the coming decade, Harvard's Salmon made the following predictions:

- Real estate will be scarce because of zoning, cost and environmental constraints. Therefore, cluster strategies where a home center is grouped with other types of stores will be common;
- There will be contrasting environments within the same store: upscale for fashion items, no frills for commodities;
- Suppliers will increasingly respond to the global market. As the decade elapses, duplication of national brands will decline. Also, there will be a fight among manufacturers for in-store position;
- Companies that win will be supported by shareholders that tend to take a long view of performance, which usually means the stock is mostly held by founding families, ESOPs or foreign investors.

Salmon also provided an outline of what he termed an "infrastructure" that retailers would need to succeed in the 1990s.

Good merchandising, he said, is a given. Beyond that, there are a number of areas in which merchants will have to excel in order to win. They will need to target their approach to local market conditions; develop marketing plans by product category; refine logistics to be always in stock; and maintain state-of-the-art MIS and accounting systems.

Most important, said Salmon, there needs to be a revolution in the way rank and file people are treated.

"Nothing will be any good without turned-on rank and file employees," he said.

He argued that retailers need workers who are of higher caliber and better paid. Employers, he said, need to try to make the job fun and avoid layoffs of all workers except Christmas part-timers.

A similar theme was echoed by another conference speaker, James Kuhn, who has the curious title of vice president-individuality for McDonald's, the $16 billion restaurant chain that has sold more than 70 billion hamburgers.

While McDonald's, with 10,000 outlets in 50 countries and 600,000 employees, has elaborate employee training for customer service, Kuhn said that the intangibles—enthusiasm and smiles—were most important.

"McDonald's calls this 'Catsup in the veins,' " he said.

Attendance at the conference, which is sponsored by the American Hardware Manufacturers Association and *Home Center* magazine, was up about 25 percent over last year.

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Judge turns down Makita's claim for common law trademark infringement

(Continued from page 4)
Thirteen U.S. companies—including retailers Home Depot, Pay 'N Pak and Pace Membership Warehouse Club and a number of vendors—were named as respondents in the original Makita ITC complaint in April 1988 (*NHCN*, April 18, 1988).

Makita may appeal the decision, which also may be reviewed and overturned or affirmed by the entire commission. If the judge's ruling were overturned and affirmed by the entire commission, the ITC and President Bush could order the U.S. Customs Service to halt the importation of look-alike tools.

Makita's counsel Gerald Margolis had not seen the decision at press time. The decision was not to be made public until after June 20.

An attorney for some of the U.S. respondents was joyous. "The decision is satisfying [in] that these small companies prevailed over such a major competitor like Makita," said Jim Adduci of Adduci, Mastrinani, Meeks and Schill in Washington. "We felt pleased that our clients were vindicated and they will continue to be permitted to do business in the U.S."

Beck named as president of Standard Brands Paint

(Continued from page 2)
For the fiscal year ended Jan. 29, Standard Brands posted earnings of $4.81 million on sales of $304.3 million. That compares with earnings of $5.4 million on sales of $305.4 million for the fiscal year ended Jan. 31, 1988.

In addition to its Home Decorating Centers, which focus on paint, wall- and floor coverings, Standard Brands operates eight Art Stores featuring artists' supplies. Beck said nine Home Decorating Centers are slated to open this year.

Beck described himself as a "hands-on manager" who has "grown up" in the company. Over the years at different times he has headed Standard Brands' manufacturing, distribution and warehousing operations.